

Education Cabinet

Kentucky's jobless rate decreases to 5.6 percent in April

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FRANKFORT, Ky. (May 20, 2008) — Kentucky's seasonally adjusted preliminary unemployment rate for April 2008 fell to 5.6 percent from March 2008's revised 5.7 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education Cabinet. April 2007's jobless rate was 5.5 percent.

The U.S. seasonally adjusted jobless rate decreased from 5.1 percent in March 2008 to 5 percent in April 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

"In April 2008, the Kentucky economy weathered the economic headwinds of the housing slump and credit crisis. Non-farm employment decreased by 3,400 positions. However, over half of this decrease is attributed to temporary layoffs. Despite this decrease, Kentucky's unemployment rate fell in April 2008. Thus, even though the job climate is weak, Kentucky's economy is showing some resilience," said Justine Detzel, OET chief labor market analyst.

Four of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported employment increases in April 2008, while six decreased and one remained the same, according to OET. A decrease of 3,400 jobs in April 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,878,200. Since April 2007, Kentucky's nonfarm employment has risen by 15,000.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies, and state-owned hospitals, added 1,500 positions in April 2008. Since April 2007, this sector has risen by 8,600 jobs.

The trade, transportation and utilities sector grew by 300 jobs in April 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 391,100 employees. Since April 2007, the number of jobs in this sector has jumped by 5,700.

"The employment gains in the trade, transportation and utilities sector in April are concentrated in

retail trade businesses, reflecting a major retail chain store opening,” said Detzel.

“All industries in the sector experienced year-over-year job gains, with the majority, 3,100 positions, occurring in retail trade enterprises. Transportation, warehousing and utilities companies also exhibited sizable year-over-year employment gains with an increase of 1,200 professionals since April 2007.”

For the first time in three months, Kentucky’s leisure and hospitality sector reported employment gains. The sector added 300 jobs in April 2008. Since April 2007, employment in the sector has increased by 2,800 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations, and food services and drinking places industries.

Between March 2008 and April 2008, the number of positions in the natural resources and mining sector rose by 100 jobs. Since April 2007, the segment has lost 100 jobs.

The information sector held steady from March 2008 to April 2008. This segment, which includes firms involved in publishing, Internet activities, and broadcasting and news syndication, has lost 100 positions since April 2007.

The manufacturing sector lost 2,600 jobs in April 2008. Compared to April 2007, jobs in the sector were down by 7,200 in April 2008.

“The durable goods subsector accounted for the manufacturing job losses from March 2008 to April 2008. This employment decrease reflects layoffs at major manufacturers. In addition, cash-strapped consumers are shifting away from big-ticket purchases,” Detzel said.

“The year-over-year employment decrease in manufacturing also is concentrated in the durable goods subsector. However, both the durable and nondurable goods subsectors have experienced extensive employment losses since April 2007. The rising uncertainty regarding the health of the economy and an anemic job market are making consumers reluctant to purchase long-lasting goods such as automobiles and discretionary items like clothing,” she said.

The number of jobs in the professional and business services sector fell by 1,400 in April 2008. This area had 2,200 more employees in April 2008 than in April 2007. The professional and business services sector includes professional, scientific and technical services, management of companies, and administrative and support management, including temporary help agencies. Kentucky’s educational and health services sector lost 700 jobs in April 2008. Since last April, this segment has grown by 600 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients. The construction sector recorded 400 fewer positions in April 2008. Since April 2007, employment in this sector has increased by 800 positions.

The number of jobs in the financial activities sector decreased by 300 in April 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has added 1,200 positions over the past 12 months.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, lost 200 jobs in April 2008. This area had 500 more jobs in April 2008 than in April 2007.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for April 2008 was 1,930,023 on a seasonally adjusted basis. This figure is up 5,831 from the 1,924,192 employed in March 2008, but down 425 from the 1,930,448 employed in April 2007.

The monthly estimate of the number of unemployed Kentuckians for April 2008 was 115,390, down 326 from the 115,716 Kentuckians unemployed in March 2008, but up 2,101 from the 113,289 unemployed in April 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for April 2008 was 2,045,413. This figure is up 5,505 from the 2,039,908 recorded in March 2008, and up 1,676 from the 2,043,737 recorded for April 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.